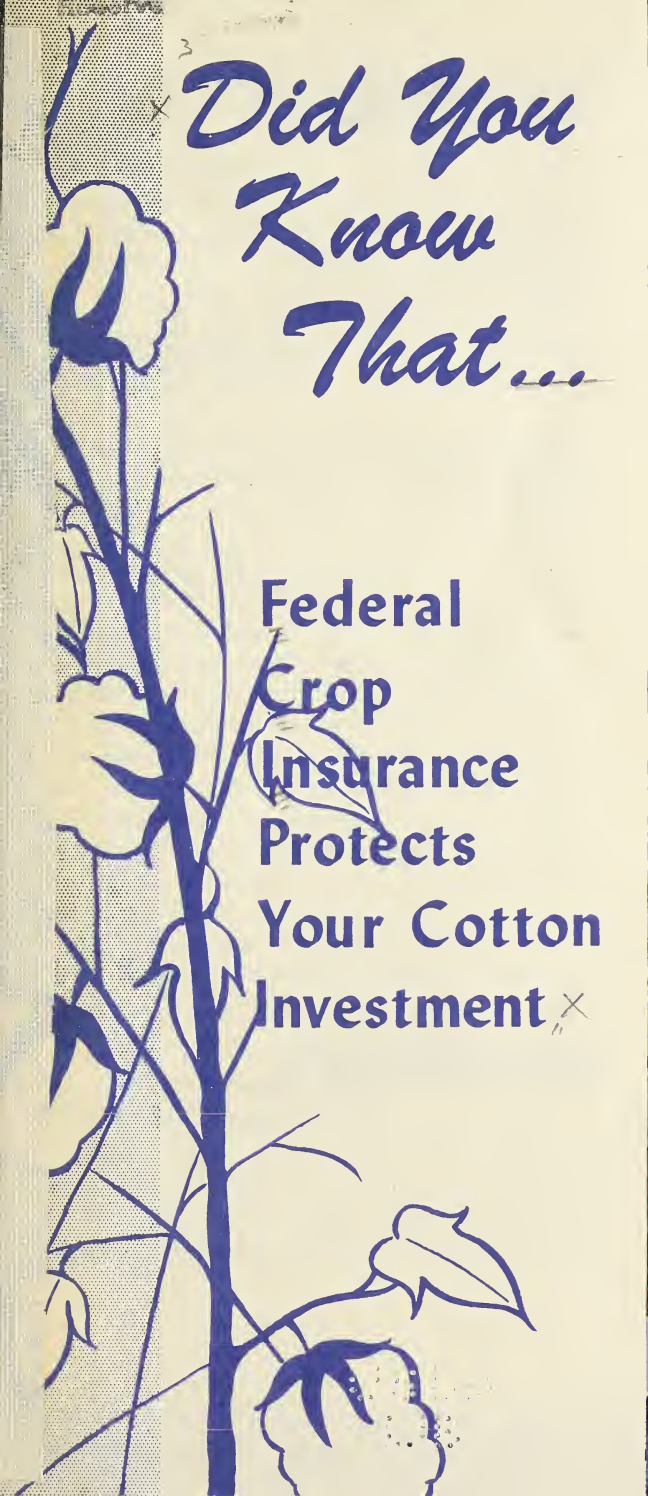


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*Did You
Know
That...*

**Federal
Crop
Insurance
Protects
Your Cotton
Investment**

A BUSINESS PROPOSITION

Federal Crop Insurance is a business proposition. It provides protection of the producer's investment in his effort to produce a crop. For this protection, the farmer pays a premium. His investment is protected every year the policy is in force and he collects an indemnity any year that his crop is destroyed or so severely damaged that it does not return the amount for which he is protected.

This protection is available to most owner-operators, landlords, tenants, and sharecroppers who apply, but some land and a few producers are not eligible.

The producer must make written application for Federal Crop Insurance protection on his cotton crop. If his application is accepted, he is issued a crop insurance policy that continues in force until canceled by him or the Corporation. The insured may cancel his policy any year before the deadline date specified in the policy. The policy continues in force at the insured's decision and saves him the bother of signing up each year in order to keep this basic principle of good business a part of his farming operations.

The policy covers all insurable acreage in the county in which the insured has an interest at planting time.

COMPLETE PROTECTION

A Federal Crop Insurance policy completes your protection. It insures your crop investment against loss from the natural hazards that man cannot control such as weather, insects, and plant diseases. You must protect yourself through good farming

Act Now

Get complete detail

practices. The policy does not insure against loss due to neglect or poor farming practices. Price supports protect your profit in the years when you get a crop. Crop Insurance protects your investment in your effort to produce a profitable crop. It is your "money back" guarantee if crop disaster strikes your crop . . . And crop disaster can strike any farm any year . . . It may not, but it can.

INSURANCE UNITS

While one application will cover all the insurable acreage in the county in which the insured has an interest at planting time, this acreage may involve more than one insurance unit. Protection is provided by insurance units and losses are settled separately on each insurance unit.

All insurable acreage in the county in which the insured has 100 percent interest (including land rented for cash or a fixed commodity rent) plus any acreage owned by him and worked for him by sharecroppers is one insurance unit. All acreage rented by a landlord to one tenant for a share in the crop is one insurance unit for the landlord and one for the tenant. All acreage owned by one individual is one insurance unit for a sharecropper. While a producer can have only one unit in which he has 100 percent interest in the crop, he will have as many insurance units as he has landlords or tenants. Determination of units is based on the insured's interest at the time of planting.

AMOUNT OF PROTECTION

The amount of protection for an insurance unit is determined by the number of acres planted to cotton on the unit and the coverage per acre which has been established for the area.

The coverage is established in four progressive stages, increasing as the insured's investment in the crop increases.

The *first stage* of the protection applies after it is too late to replant and until the crop is cultivated, *the second* until laying by the crop, *the third* until harvest, and *the fourth* to harvested acreage.

PREMIUM

The cost of this protection is determined by the number of acres planted on insurable land, the premium rate per acre for the area and the insured's interest in the crop.

The premium is discounted 5 percent if the insured reports his acreage and pays his premium before the discount date specified in the policy.

A crop insurance premium is a part of the farm operating costs just the same as good seed, fertilizer, land preparation, cultivation, harvesting, etc. It is a deductible operating cost for income tax purposes.

INDEMNITIES

An indemnity is due the insured when, due to loss from unavoidable causes, the production from an insurance unit is less than the crop insurance protection for the unit. Indemnities are paid promptly by Government check following the loss adjustment and signing of the loss claim by the insured.

The insured is required to report any severe damage to the crop promptly after it occurs and must report any loss within 15 days after harvest.

costs that you must risk to produce cotton.

YOUR OPPORTUNITY AND YOUR PROGRAM

As a progressive farmer, you will want "All-Risk" Federal Crop Insurance protection to guarantee the return of your investment if what can happen does happen to your crop this year, or any year . . . You will recognize that your premium underwrites your other operating expenses against crop catastrophes that you hope will never strike your farm.

Federal Crop Insurance is provided through the Government since this needed all-risk protection is not otherwise available to farmers and because growing crops are subject to so many hazards.

It is operated on a nonprofit basis at premium rates intended only to cover losses paid over a period of years. These rates will be adjusted periodically by the actual loss experience in the county. Congress provides the administrative expenses of this program so crop insurance actually is available to you at less than cost.

When premiums paid in a county exceed the losses paid, this reserve is credited to the county. If a county's reserve exceeds the reserve requirement established for the county, the surplus reserve is returned to participating farmers through a premium adjustment the following year. There is also a 25 percent premium reduction given to producers with seven consecutive years of crop insurance participation without collecting an indemnity or if their individual reserve equals the current year's coverage.

**UNITED STATES
DEPARTMENT OF AGRICULTURE
The Federal Crop Insurance Corporation**

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